

**Title 12 – DEPARTMENT OF REVENUE
Division 10 – Director of Revenue
Chapter 6 – Motor Fuel Tax**

EMERGENCY RULE

12 CSR 10-6.100 Motor Fuel Tax Exemption for Operators of Public Mass Transportation Service.

PURPOSE: Section 142.817, RSMo, exempts operators of public mass transportation service from motor fuel tax. This rule explains how the exemption is to be claimed.

*EMERGENCY STATEMENT: The director finds that there is an immediate danger to the public welfare, which can only be addressed through this emergency rule. This emergency rule is necessary to ensure public awareness and to preserve a compelling governmental interest requiring an early effective date in that the emergency rule informs the public of new sales tax exemptions that are available to various sellers and their customers as a result of enactment of TAFP CCS HCS SB 30 by the 94th Missouri General Assembly. These exemptions are effective August 28, 2007, and taxpayers need guidance regarding how these statutory changes impact them. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**. The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the **Missouri** and **United States Constitutions**. The director believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule filed Aug. ____, 2007, effective Aug. 28, 2007, expires Feb. 23, 2008.*

(1) In general, fuel used to operate public mass transportation services is not subject to Missouri motor fuel tax. Fuel that is not subject to Missouri motor fuel tax is subject to Missouri State and local sales tax, unless otherwise exempted under Chapter 144, RSMo.

(2) Basic Application.

(A) Operators of public mass transportation services who purchase fuel on or after August 28, 2007, and paid the Missouri motor fuel tax may obtain a refund of the tax. The operator of the public mass transportation service must certify to the department, on a form prescribed by the director, that the motor fuel will be used exclusively in the operation of the mass transportation service.

1. The operator must submit the claim on a form prescribed by the department within one (1) year of the date of purchase or April 15th of the year following the purchase, whichever is later.

2. The refund will equal the motor fuel tax, less all applicable state and local sales taxes unless the entity is otherwise exempt from Missouri sales tax.

(B) Ultimate vendors may make bulk sales of motor fuel to the exempt public mass transportation service on or after August 28, 2007, without collecting the state motor fuel tax. The ultimate vendor that purchased motor fuel and paid the Missouri motor fuel tax

may obtain a refund if the ultimate vendor sold the motor fuel without charging the Missouri motor fuel tax.

1. Operators must furnish the ultimate vendor a Public Mass Transportation Operator Exemption Certificate in order to purchase the motor fuel without being charged the Missouri motor fuel tax. This form is available at the department's central office, or may be downloaded at

<http://www.dor.mo.gov/tax/business/fuel/forms/index.htm>

2. Any ultimate vendor who is a retailer, and not licensed as a supplier or distributor, must submit the claim on a form prescribed by the director within two (2) years of the date of purchase.

3. If the ultimate vendor is licensed as a Missouri supplier or distributor, the claim for refund must be submitted on a form prescribed by the director and must be filed within three (3) years of the date of purchase.

4. The ultimate vendor must collect and remit to the department any applicable state and local sales taxes at the rate in effect at the vendor's place of business

(3) Examples.

(A) A public mass transportation service operator has vehicles that operate on gasoline or gasohol. The operator goes to the pump to fuel its vehicles. The operator will purchase the gasoline or gasohol subject to all taxes and may apply for a refund of the state motor fuel tax.

(B) A public mass transportation service operator has vehicles that operate on diesel fuel. The operator may purchase clear diesel fuel subject to the state motor fuel tax and apply for a refund or if allowed under federal law, it may purchase dyed diesel fuel, which is exempt from state and federal fuel tax. It is required to complete and provide the ultimate vendor with an exemption certificate prior to filling any vehicles or ordering any dyed diesel fuel.

(C) A public mass transportation service operator has bulk storage facilities for the motor fuel used to fuel its vehicles. The ultimate vendor who delivers the motor fuel may sell the product without charging the motor fuel tax. The ultimate vendor would charge any applicable sales tax unless the operator is exempt from sales tax under state law. The ultimate vendor would then apply for a refund of the motor fuel tax it paid on the motor fuel but did not collect from the operator.

(D) A public mass transportation service operator has vehicles that operate on diesel fuel and meet the exemption requirements under federal law. Its routes include states other than Missouri, and the other state does not allow the use of dyed diesel fuel on public roadways. Even though Missouri and the federal government would allow the use of dyed diesel fuel, the operator must purchase and use clear fuel in the vehicles that cross into the neighboring state.

*AUTHORITY: sections 142.818 and 142.824, RSMo 2000, section 136.035, RSMo, Supp. 2006, and TAFP CCS HCS SB 30, enacted by the 94th General Assembly, 2007. Emergency rule filed Aug. ____, 2007, effective Aug. 28, 2007, expires Feb. 23, 2008. A proposed rule, which covers the same material, is published in this issue of the **Missouri Register**.*